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New Partnership for Africa's Development: progress in implementation and international support

New Partnership for Africa's Development: seventh consolidated progress report on implementation and international support

Report of the Secretary-General

Summary

In recent years, African countries with the support of the international community have taken several policy actions to implement the sectoral priorities of the New Partnership for Africa's Development (NEPAD) and enhance prospects for meeting the Millennium Development Goals. The current report indicates that, despite the global financial and economic crisis and its negative impact, some progress has been achieved in the implementation of NEPAD. The main challenge now for African countries is to ensure that the financial crisis, combined with the latent food and energy crisis, does not reverse the progress made and reduce the risk of increasing poverty and hardship for the most vulnerable groups. In the context of crisis, international cooperation for development is needed. The report calls on international development partners, including the United Nations, to take concerted and urgent action to mitigate the socio-economic impact of the crisis and help African countries recover ground in their progress towards the implementation of NEPAD and the achievement of the Millennium Development Goals. Specifically, donors should deliver on aid commitments as the crisis has reinforced the need to speed up the implementation of key socio-economic development programmes. To allow Africa to maintain its growth momentum and facilitate the implementation of NEPAD projects, development partners should take steps to successfully conclude

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the Doha Round of trade negotiations. These issues are discussed in section II of the report with a focus on the progress made by African countries in the implementation of NEPAD sectoral priorities. Section III of the report illustrates the response by the international community in support of Africa's development, section IV highlights the support provided by the United Nations system and section V contains conclusions and recommendations.

Contents

I. Introduction

II. Action taken by African countries and organizations

A. Infrastructure

B. Agriculture and food security

C. Health

D. Education and training

E. Environment

F. Information and communications technology

G. Science and technology

H. Gender mainstreaming, empowerment of women and civil society participation

I. African Peer Review Mechanism

III. Response of the international community: building on the momentum of international support for Africa's development

A. Official development assistance

B. Debt relief

C. Foreign direct investment

D. Trade

E. South-South cooperation

IV. Support provided by the United Nations system

A. Strengthening of the Regional Consultation Mechanism of United Nations Agencies and Organizations Working in Africa in Support of the African Union and its NEPAD programme and the cluster system

B. Millennium Villages

V. Conclusions and recommendations

I. Introduction

1. In its resolution 63/267 of 31 March 2009, entitled "New Partnership for Africa's Development: progress in implementation and international support", the General Assembly requested the Secretary-General to submit a comprehensive report on the implementation of the resolution to the Assembly at its sixty-fourth session. The present report responds to that request.

2. The report highlights the policy measures taken by African countries and organizations in implementation of the New Partnership for Africa's Development (NEPAD), the response of the international community and the support of the United Nations system during the past year. The activities undertaken by the private sector and civil society in support of NEPAD are also highlighted. The report benefited from information provided by Member States, the African Development Bank (AfDB), the NEPAD secretariat, the African Peer Review Mechanism secretariat, and various entities of the United Nations system.

II. Action taken by African countries and organizations

3. The main objective of NEPAD is to generate broad-based and equitable economic growth that allows Africa to reduce poverty and better integrate into the global economy. Translating this vision into action requires the effective implementation of the key sectoral priorities of NEPAD, as discussed below. The past year has witnessed progress in developing sectoral policy frameworks and in implementing specific national or regional programmes and projects.

A. Infrastructure

4. Progress continues to be made in implementing the various components of the NEPAD infrastructure programme. African countries and regional economic communities, in close collaboration with the NEPAD secretariat and AfDB, continue to implement the NEPAD Short-term Action Plan. Since infrastructure plays an important role in facilitating the attainment of the Millennium Development Goals, the twelfth African Union Summit held in February 2009 focused on the theme "Infrastructure development in Africa".

5. Given the need for a comprehensive long-term infrastructural development plan for the continent, the African Union Commission, NEPAD and AfDB have initiated the Programme for Infrastructure Development in Africa. This development framework will focus on translating sectoral policies into concrete development action plans for the sectors of energy, transport, water and sanitation, and information and communications technology. Efforts are under way to determine the successful bidder to undertake the Programme study, which is expected to be completed by the end of 2010.

6. In a bid to forge closer cooperation between Africa and its development partners, the Infrastructure Consortium for Africa (ICA), at its annual meeting held in Rome in March 2009, deliberated on a number of important issues affecting infrastructural development in Africa, including the global financial crisis. According to a study carried out as part of the World Bank's Africa Infrastructure

Country Diagnostic (AICD) project, an annual outlay of US$ 80 billion is required to close the infrastructure gap. In 2008, commitments by ICA members to infrastructure were estimated at around US$ 13.7 billion, an increase of over 10 per cent from the US$ 12.4 billion committed in 2007. At the ICA meeting, countries members of the Group of Eight reaffirmed their continued commitment to Africa's development agenda.

7. The African Union Commission, working in close collaboration with the NEPAD secretariat and AfDB, has launched a number of quick-win infrastructure priority projects such as the development of regional hydropower projects in response to the energy crisis, and a number of projects concerning transcontinental transport infrastructure, including the missing links in the Trans-African Highway corridors. The process of implementing the recommendations of the study on the missing links in the Dakar-Ndjamena-Djibouti transport corridor has started. The selection process for an engineering firm to execute the project is almost finalized. The feasibility study is expected to be completed early in 2010.

8. In the energy sector, pursuant to a request by the Democratic Republic of the Congo, NEPAD and the power pools, AfDB approved a grant of UA 9.51 million[1] in 2008 to finance a comprehensive study on the development of Inga hydropower sites and associated power interconnections, including updating of the prefeasibility study of the Grand Inga power station, review of the study on the Inga 3 power station, a study on Grand Inga and associated interconnections and an assessment of the social and environmental impacts. Also, African stakeholders continue to implement national and regional water and sanitation priority projects within the framework of the African Water Facility and its operational programme for the period 2005-2009.

9. The NEPAD e-Africa Commission is coordinating the development of the NEPAD ICT broadband infrastructure network in two segments: the Uhurunet submarine cable and the Umojanet terrestrial network. The design of Uhurunet, which is estimated to cost US$ 1.4 billion, provides for the connection of all coastal and island countries in Africa. Uhurunet, which is expected to become operational in 2010, is being developed by a majority-owned African company with shareholding structure comprising a NEPAD special purpose vehicle and African and international investors. Negotiations are expected to result in agreements which would incorporate other initiatives into Uhurunet, such as TEAMS (Kenya) and Seacom on the East Coast, and Main One (Nigeria) and Africa Coast to Europe (ACE) on the West Coast. The project incorporates open-access principles and does not give preferential treatment to any country. A detailed feasibility study of part of Umojanet, which covers terrestrial networks in Eastern and Southern Africa, was completed in April 2009. The outcome and recommendations of the report will form the basis of a project information memorandum which will be presented to prospective shareholders in the special purpose vehicle that will own the terrestrial network. A similar study will be undertaken for countries in West, Central and North Africa.

[1] The financial statements of the African Development Bank are expressed in units of account (UA). The unit of account has been valued as equivalent to one special drawing right (SDR).

B. Agriculture and food security

10. In 2008 and 2009, good progress was made in implementing the Comprehensive Africa Agriculture Development Programme (CAADP). The Programme has moved from strategy to action, and the thirteenth African Union Summit held in Sirte, Libyan Arab Jamahiriya, in July 2009, focused on the theme "Investing in agriculture for economic growth and food security".

11. During the period under review, the NEPAD secretariat stepped up its interaction with the CAADP country round-table processes. The NEPAD secretariat, in collaboration with the regional economic communities, supported countries in incorporating the CAADP agenda into their agriculture and rural development programmes in order to fast track implementation. NEPAD support to country round-table activities focused on ensuring that countries had access to expert knowledge and resources for CAADP implementation. As of December 2008, more than 12 countries were moving towards a CAADP compact. Malawi, Nigeria, Sierra Leone, Uganda and Zambia are expected to sign their compacts in 2009. Ghana, Mali, the Niger, Senegal and Togo have each started the round-table process. By means of the round-table meetings, countries identify their needs and mobilize the resources to fund investments in their agricultural sector.

12. In May 2008, the NEPAD secretariat, with the support of the Food and Agriculture Organization of the United Nations (FAO) and the World Bank, brought together in Pretoria representatives of countries hardest hit by the rising food prices and key development partners. Countries and partners, including various United Nations agencies, came up with an action plan for both immediate responses and longer-term solutions. A task force led by the African Union and the NEPAD secretariat, supported by various United Nations entities and regional economic communities, followed up the action plan through backstopping missions. In Burkina Faso, Cameroon, Kenya, Lesotho, Malawi, Mali, Mauritania, Mozambique, the Niger, Rwanda, Senegal, Sierra Leone, Swaziland, Uganda and Zambia, the missions worked with development partners to put in place short-term interventions, as well as the medium-term road map for accelerating the CAADP round-table process.

13. Through the commitments of African Governments and the support of development partners, the response to the round-table initiative has helped to mobilize resources for the above-mentioned interventions. In this regard, AfDB has approved more than US$ 700 million in the 2008-2009 biennium for efforts aimed at curbing the high food prices. As long-term measures, AfDB plans to increase water storage capacity, develop irrigation and reduce post-harvest losses. In 2008, the World Bank provided a package of over US$ 200 million for high-priority countries in Africa. Partners have however, been concerned with addressing the root causes of the crisis with longer-term measures, implemented under the CAADP umbrella. Norway committed US$ 4 million in 2008/09 for conservation agriculture as a medium-term response to the food crisis. A joint programme of the African Union, NEPAD and FAO will scale up conservation agriculture in Kenya, Lesotho, Mozambique, Swaziland, the United Republic of Tanzania, Uganda and Zimbabwe, reaching over 23,000 households. These responses from development partners parallel the increasing support from the international community to transform African agriculture through CAADP.

C. Health

14. Significant developments continue to be registered in the health sector, in line with the NEPAD and African Union health strategies. In particular, the NEPAD has continued its advocacy role, mainly through publications and presentations. One particular effort in the health sector focuses on enhancing synergies among global health initiatives on specific diseases. Moreover, efforts are being made to make health development aid more effective and to strengthen technical support for health systems that build African capacity.

15. A programme for strengthening the regulation and harmonization of medicines is well under way. A successful continental workshop was held in April 2009, with the involvement of the regional economic communities. Those communities are currently being supported in preparing project proposals aimed at enabling regional cooperation among African regulatory authorities through a community-driven process. The programme offers much learning as regards the roles of regional economic communities and how to deal with challenges, including membership of multiple regional economic communities. This project will be complemented by a project on the transfer of technology in pharmaceuticals manufacturing, in line with the African Union pharmaceuticals plan.

16. The NEPAD secretariat co-hosted its fourth one-month course for district health managers from countries members of the Southern African Development Community (SADC), with participants from Botswana, Lesotho and Malawi. The Japan International Cooperation Agency (JICA), with the technical support of the University of Pretoria has been sponsoring the course since its inception. The NEPAD secretariat continues to seek support with a view to offering these courses in Central, East and West Africa. A knowledge paper on skill mix, an issue critical for Africa, has been completed in collaboration with the International Centre on Human Resources for Nursing.

17. The NEPAD secretariat is deeply involved in streamlining the registration of medicines to bring about more rapid access to quality medicines on the continent, especially as more new medicines emerge. This process, funded by the Gates Foundation, is aimed at enabling the regional economic communities to build their capacity in that regard. Capacity-building is also at the centre of an initiative undertaken in cooperation with the Council on Health Research for Development on strengthening national health research systems.

D. Education and training

18. In the past year, further progress has been made in the implementation of various education projects in a number of countries under the auspices of the regional economic communities. In June 2008, the NEPAD secretariat hosted in Pretoria an African Union workshop of experts and partners to finalize a strategy for teacher development, to be implemented during the Second Decade of Education for Africa. The meeting focused on two areas namely, teaching of science, mathematics and technology, and the use of open and distance learning for teacher development. Five member countries of the Economic Community of West African States (ECOWAS) have been identified for the implementation of this project, namely, Benin, Ghana, the Niger, Nigeria and Senegal. In the Community of Sahel-Saharan

States (CEN-SAD), negotiations are under way for the implementation of the teacher development project in five countries: Egypt, the Libyan Arab Jamahiriya, Mauritania, Morocco and Tunisia. Preparations are under way to negotiate with the Libyan Government with a view to it becoming the anchor country in the implementation of the project.

19. The NEPAD secretariat continues to focus on African centres of excellence through the review of case studies under the Regional Centres of Excellence in Education programme. Similarly, a proposal has been prepared for the Government of Gabon for the establishment of a steering committee, a technical committee and a scientific committee which will drive the process for the establishment of a centre of excellence for the Economic Community of Central African States (ECCAS), through the NEPAD Centre for Mathematics, Science and Technology Education. The major objective of this project is to facilitate the development of a framework for the establishment of regional centres of excellence.

20. At the pre-national conference indaba (dialogue) held in Midrand, South Africa, in October 2008, representatives of higher education institutions, relevant civil society organizations and non-governmental organizations reviewed a concept paper on the national, subregional and continental dialogue on education and culture proposed for 2009. As a build-up to the national conference, NEPAD organized a symposium and cultural event to celebrate Africa Day, under the theme "Unifying Africa through education and culture". Moreover, a major project has been launched in the SADC subregion to revitalize and locate education and culture, through national, regional and continental conferences and engagements.

21. Human resource development initiatives for nurses and midwives in Africa are gathering momentum. The major objective of this initiative is to enhance the professional skills of nurses and midwives by providing post-graduate programmes to universities that do not currently have such programmes. The curriculum at three host universities has been approved and students have registered for the programme, which will cover community health, maternal and child health, and mental health care.

22. A project on literacy for development in Africa and CEN-SAD has been initiated. The major objective of this project is to identify countries in need of literacy assistance and to develop strategies for intervention. Negotiations are under way for the implementation of a literacy project for CEN-SAD member countries. Negotiations will be held with the Government of the Libyan Arab Jamahiriya with a view to it becoming the anchor country in the implementation of the project.

E. Environment

23. Progress continues to be made in the implementation of the NEPAD subregional environmental action plans adopted by the environment ministers of the five subregions (Central, East, North, Southern and West Africa) in June 2008. The NEPAD secretariat has undertaken extensive advocacy work with regional economic communities, United Nations agencies and non-governmental organizations to support the implementation of the African Union-NEPAD environment initiative and the subregional action plans.

24. The past year has seen progress in the implementation of the Climate for Development in Africa (ClimDev Africa) programme by the African Union Commission, in collaboration with the Economic Commission for Africa (ECA) and AfDB. The aim of the programme is to improve analytical capacity and knowledge management in areas related to climate change. With initial funding from the United Kingdom Department for International Development (DFID), the Africa Climate Policy Centre (ACPC) has been established as the policy arm of ClimDev Africa. Activities being undertaken in 2009 include the recruitment of core staff, the creation of a website, the establishment of a database climate change activities and the provision of support to Africa's negotiating capacity. Establishment of the ClimDev Africa Special Fund is also at an advanced stage, with a start-up grant from DFID to finance institutional set-up activities and AfDB providing resources to finance country operations.

25. In the area of disaster risk reduction, the NEPAD secretariat and the African Union Commission, with the support of the secretariat of the International Strategy for Disaster Reduction, are reviewing the implementation of the African Regional Strategy for Disaster Reduction and updating the relevant African Union programme of action. In this regard, the Second African Regional Platform for Disaster Risk Reduction has been organized, and a revision and adaptation of an expanded programme of action (2009-2015) for the implementation of the African Regional Strategy has been initiated.

26. International climate change negotiations have particular relevance for Africa, considering the continent's vulnerability to such change. African ministers of environment have adopted a common platform in preparation for the upcoming global climate change negotiations in Copenhagen in December 2009. For the development of the common platform, a special session of the African Ministerial Conference on the Environment (AMCEN) was held in Nairobi, in May 2009, at which the Nairobi Declaration on Climate was signed by the Governments of more than 30 African countries. The Declaration states that increased support should be based on the continent's priorities, which include mitigation and adaptation, capacity-building, financing, and development and transfer of technology, while African countries should implement climate change programmes that help to achieve development and attain the Millennium Development Goals.

27. Another major activity undertaken during the past year was the setting up of the climate change task team on the implementation of African Union and AMCEN decisions on climate change, under the AMCEN presidency. In cooperation with the AMCEN presidency and secretariat, programmes were implemented to support African climate change negotiators in reaching agreement on an African negotiating position beyond 2012, and to develop a comprehensive framework of African climate change programmes.

F. Information and communications technology

28. The past year has seen further progress in implementing the various components of the NEPAD e-Schools Initiative, aimed at equipping primary and secondary school students with the skills and knowledge to participate effectively in the global information society and knowledge economy.

29. The e-Africa Commission of NEPAD has been overseeing the e-Schools Demonstration Project (Demo) whereby, in collaboration with Governments and private sector consortia, six NEPAD e-Schools are to be set up in each of 16 African countries, namely, Algeria, Burkina Faso, Cameroon, Egypt, Gabon, Ghana, Lesotho, Kenya, Mali, Mauritius, Mozambique, Nigeria, Rwanda, Senegal, South Africa and Uganda. Good progress has been achieved, with Demo launched in 10 countries and equipment in place in the 16 aforementioned countries; more than 80 schools have been successfully connected. Lessons learned from monitoring and evaluation activities carried out by the Commonwealth of Learning, in collaboration with the Information for Development Programme (InfoDev), will inform the roll out of NEPAD e-Schools.

30. The Government of South Africa funded the development of the NEPAD e-Schools business plan which incorporates guidelines for good practice in the development of NEPAD e-Schools and also country strategies for the 16 countries involved in the Demo project. The business plan, developed by Ernst & Young and Neil Butcher & Associates, was endorsed by a stakeholder conference held in Johannesburg, South Africa, in April 2008 as broad framework for the roll out of NEPAD e-Schools.

31. Other important components of the e-Schools initiative include the development of educational content, the professional development of teachers and school administrators, the establishment of a satellite network to facilitate Internet access, especially for rural and remote schools, and the establishment of national implementing agencies to facilitate the roll out of the e-Schools. The NEPAD e-Schools Group of Experts was formed during a workshop at the e-Learning Africa 2009 Conference held in Dakar in May 2009. The focus for 2009 is the professional development of teachers. The NEPAD e-Africa Commission, in collaboration with Intel Corporation, convened a workshop in South Africa in June 2009 to train 24 trainers of trainers from 13 African countries, with the professional development of teachers taking part in the NEPAD e-Schools Initiative as the objective.

G. Science and technology

32. Progress was made in implementing the programmes of Africa's Consolidated Science and Technology Plan of Action: African Biosciences Initiative, and in establishing a high-level African panel on biotechnology, the African Water Sciences and Technology Network, the African Energy Research and Innovation (AERI) Network, and the African Science, Technology and Innovation Indicators (ASTII) initiative.

33. The African Biosciences Initiative is implemented through four regional networks of laboratories and technoparks which are involved in carrying out cutting-edge research and development and transferring bioscience technologies to other laboratories. The Initiative continued to offer opportunities to African institutions and young scientists in regard to state-of-the-art research and study for postgraduate degrees in life science in African universities. The Southern African Network for Biosciences continued to focus on validating treatment remedies for opportunistic infections affecting people living with HIV/AIDS, while the Biosciences Eastern and Central Africa Network continued its work on the development of biotechnological tools to control bacterial disease in bananas. The

West African Biosciences Network continued to engage in the inventory and characterization of sorghum genetic resources, while the North African Biosciences Network continued to concentrate on the production of elite biofortified Northern African barley genotypes.

34. As mentioned in the sixth progress report (A/64/204), the work of the NEPAD African Biosafety Network of Expertise complements ongoing activities under the African Biosciences Initiative so that technological innovation goes hand in hand with ensuring the safety of humans and the environment. The Water Research Commission of South Africa, subcontracted by the NEPAD secretariat with a grant from France, is providing technical expertise in the preparation of a business plan and the identification of the centres that will constitute the proposed African Water Sciences and Technology Network.

35. In the area of African science, technology and innovation indicators, the NEPAD secretariat, with financial support from the Swedish International Development Cooperation Agency, is implementing the African Science, Technology and Innovation Indicators (ASTII) initiative. A series of memorandums of understanding and agreements have been signed to advance the development and implementation of the programme.

H. Gender mainstreaming, empowerment of women and civil society participation

36. Strategies, tools and approaches to gender mainstreaming within NEPAD sectoral strategies and at the regional economic community level have been under development since 2004. The NEPAD secretariat continues to collaborate with the African Union Commission to ensure that the policies and guidelines developed by the Commission are implemented within NEPAD priority sectors and at the regional economic community level. Some countries have been striving to achieve better economic and political governance and accountability as an essential precondition for achieving gender equality. The African Peer Review Mechanism (APRM) is striving to enhance women's human rights through the application of the social development indicators included in the peer review of the performance of States in respect of good governance. The participation of civil society in the NEPAD agenda is at present effective; for example, civil society organizations have become an integral part of the in-country APRM assessment process.

37. Progress has been made in the implementation of the NEPAD Spanish Fund for African Women Empowerment. The Fund, financially supported by Spain, remains aimed at promoting gender equality and empowering women by providing them with the financial resources to unlock their economic potential, fight poverty, create wealth and contribute to the achievement of the Millennium Development Goals. The Fund will disburse €10 million over a period of five years to various projects in Africa. Between August 2008 and April 2009, the Fund disbursed grants of €6.3 million to 77 projects in 26 countries. The projects focus on such issues as the development of small and medium-sized enterprises, microcredit, agroprocessing, vocational skills training, agriculture, the promotion of human rights and the participation of women in environmental management.

38. The Fund is now working with two regional economic communities, the Common Market for Eastern and Southern Africa (COMESA) and ECOWAS, to

implement a three-year, €2 million pilot project which involves the creation of business incubator services for women entrepreneurs. Kenya and Sierra Leone have been selected as pilot host countries. To assess the progress being made by the various funded projects, the NEPAD secretariat carried out field missions to eight countries: Burundi, the Gambia, Ghana, Kenya, Liberia, Malawi, Rwanda and Uganda. Key output achievements of the Fund include training in vocational skills, gender-based violence awareness and prevention, training in entrepreneurship skills, and training of community educators on HIV/AIDS.

I. African Peer Review Mechanism

39. There has been steady progress in moving the peer review process forward. As of July 2009, 30 countries have acceded to APRM, namely, Algeria, Angola, Benin, Burkina Faso, Cameroon, Cape Verde, Djibouti, Egypt, Ethiopia, Gabon, Ghana, Kenya, Lesotho, Malawi, Mali, Mauritania, Mauritius, Mozambique, Nigeria, the Republic of the Congo, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, South Africa, the Sudan, the United Republic of Tanzania, Togo, Uganda and Zambia.

40. Significant progress has also been made in the peer review process: in 2008, four countries (Benin, Uganda, Nigeria and Burkina Faso) were peer reviewed and, in 2009, three countries (Mali, Mozambique and Lesotho) have been peer reviewed, bringing the number of countries so reviewed to 12. Ethiopia and the United Republic of Tanzania have submitted their country self-assessment reports and national programmes of action, thereby paving the way for the fielding of their country review missions in the near future.

41. At the extraordinary summit meeting of the African Peer Review Forum, held in Cotonou in October 2008, it was forecast that if the momentum were maintained, it would be possible to peer review the remaining countries between 2009 and 2013. Moreover, if all of the other 24 African countries were to decide to join APRM before 2013, it is highly probable that the entire membership of the African Union could be peer reviewed by 2020. This, however, would require more determined effort at the national level, where the country self-assessments have to be undertaken. The Forum also deliberated on selected cross-cutting issues encountered so far in the peer review process, namely, managing diversity and xenophobia, elections in Africa, land resource management and corruption.

42. A training workshop on enhancing the role and effective participation of parliamentarians in the peer review process was held in Dar es Salaam, United Republic of Tanzania, in November 2008. The workshop was aimed at ensuring the effective participation of parliamentarians in peer review processes at the national level, thereby ensuring the transparency and credibility of the process as a whole, and at improving their oversight of the implementation of their respective national plans of action. At the tenth ordinary summit meeting of the African Peer Review Forum, held in Addis Ababa in January 2009, Algeria, Rwanda and South Africa presented their respective national plans of action to the African Peer Review Panel. Benin presented its first annual report, while Uganda submitted its semi-annual progress report on the implementation of its plan of action.

43. To date, over US$ 13 million has been mobilized by the APRM secretariat. In addition, the European Union is contributing €2.3 million. The APRM Trust Fund

has funded activities in support of Panel operations, the APRM secretariat staff, preparatory processes (including the country support mission), country review missions, experience-sharing workshops, and monitoring and oversight. The term of the current Trust Fund agreement will end in September 2009.

III. Response of the international community: building on the momentum of international support for Africa's development

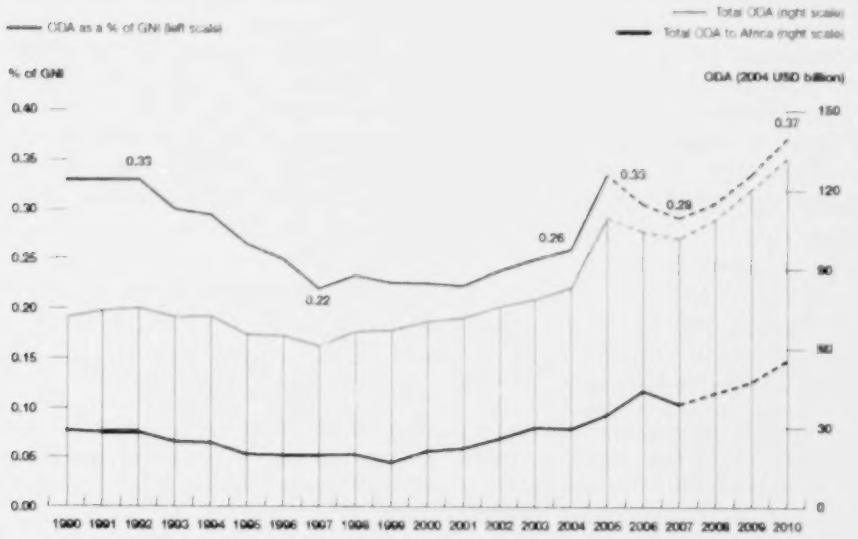
44. The slowdown in economic growth in Africa sets back progress on poverty reduction, implementation of NEPAD sectoral priorities and attainment of the Millennium Development Goals. Against this background, the Group of Twenty, at the London Summit in April 2009, reaffirmed its commitment to meeting the Millennium Development Goals and to achieving its official development assistance (ODA) pledges, including the commitments made in relation to Aid for Trade and debt relief and those made at Gleneagles in 2005, especially in respect of Africa. In addition, the Group made a commitment to provide US$ 50 billion annually to support social protection, boost trade and safeguard development in low-income countries, to support a substantial increase in lending to multilateral banks and to double the International Monetary Fund (IMF) concessional lending capacity for low-income countries. The Group of Twenty is making available resources for social protection for the poorest countries, including through investment in long-term food security and through voluntary bilateral contributions to the World Bank's vulnerability framework. Prior to the London Summit, the European Union had reaffirmed its commitment to achieving its overall ODA targets, and its commitment to channelling to Africa at least 50 per cent of the increase in its collective aid.

45. At the summit meeting held in L'Aquila in July 2009, the Group of Eight reiterated the commitments made at Gleneagles and more recently at the London Summit regarding support for African efforts towards promoting development and good governance, achieving the Millennium Development Goals and maintaining ODA flows. Furthermore, the members of the Group of Eight committed US$ 20 billion over three years to supporting rural development in poor countries and agreed to keep agriculture at the core of the international agenda. In following up the Monterrey Consensus and Accra Agenda for Action, the Group of Eight decided to promote a comprehensive whole-of-country approach, which would allow for stronger policy coherence. A first accountability report is expected to be submitted to the Group of Eight at its meeting to be held in Muskoka, Canada, in June 2010.

A. Official development assistance

46. According to the preliminary estimates of the Organization for Economic Cooperation and Development (OECD), net global ODA from members of the Development Assistance Committee (DAC) rose in 2008 to US$ 119.8 billion, representing an increase of 10.2 per cent in real terms (see figure below).

Net official development assistance from members of the Development Assistance Committee, 1990-2007, and the Development Assistance Committee secretariat simulations, 2008 and 2010



Source: OECD Development Assistance Committee, *Development Co-operation Report, 2009*.

47. According to OECD preliminary estimates, aid to Africa increased in cash terms from US$ 29.5 billion in 2004 to US$ 42 billion in 2008. Yet, Africa has received only about 31 per cent (US$ 12.5 billion) of the total (US$ 40 billion) cash increase in ODA since 2004, way below the 50 per cent assumption implied by the Gleneagles estimate of US$ 25 billion.

48. The DAC secretariat has calculated that delivering the Gleneagles estimate of an additional US$ 25 billion a year (unadjusted for lower gross national income) would require ODA to Africa to rise to US$ 55 billion at 2004 prices, or to US$ 66 billion at 2008 prices in 2010. Given the preliminary estimate for 2008 of US$ 42 billion, this implies that Africa would need to receive an additional US$ 24 billion, or virtually all of the increase in ODA required over the next two years (from US$ 120 billion to US$ 145 billion), to meet existing commitments. Significant growth in aid, to the tune of 25 per cent per year, will be needed in 2009 and 2010 to meet donor commitments to provide to Africa by 2010 an additional US$ 25 billion in aid per year, at 2004 prices.

49. While the gap between aid commitment and delivery was large even before the onset of the global financial and economic crisis, the crisis has jeopardized the fulfilment of the commitments in terms of amounts. The financial crisis could, however, give rise to new motivation for governmental efforts to improve aid effectiveness, as expressed in the Paris Declaration on Aid Effectiveness and in the Accra Agenda for Action, in which developed and developing countries agreed in September 2008 to take bold steps to reform the way aid is delivered and spent. In the Accra Agenda for Action, developing countries made the commitment to take

control of their own future, donors to coordinate better among themselves, and both parties pledged to be accountable to each other.

50. Some of the key points agreed to in the Accra Agenda for Action are (a) predictability of aid: donors will provide to partner countries regular and timely information on their rolling three to five-year forward expenditures and/or implementation plans; (b) country systems: partner country systems will be used to deliver aid as the first option, rather than donor systems; (c) conditionality: donors will switch from reliance on prescriptive conditions about how and when aid money is spent to conditions based on the developing country's own development objectives; and (d) untying of aid: donors will relax restrictions that prevent developing countries from choosing the suppliers of their goods and services.

B. Debt relief

51. The past year has seen continued progress in debt relief efforts within the framework of the Heavily Indebted Poor Countries (HIPC) Initiative and the Multilateral Debt Relief Initiative (MDRI), as well as bilateral debt relief.

52. Burundi reached the completion point under the HIPC Initiative in January 2009. Thus, as of June 2009, 20 African countries had reached the completion point under the HIPC Initiative and had therefore also benefited from debt relief through MDRI. In addition, Togo and Côte d'Ivoire reached the HIPC decision point in November 2008 and March 2009 respectively, bringing to nine the number of African countries which have done so and which are receiving interim debt relief. Four additional African countries have met the income and indebtedness criteria for HIPC but have not yet reached the HIPC decision point.

53. The current global economic and financial crisis is threatening to undermine recent gains in debt sustainability. According to the 2009 DATA report,[2] 11 of the 20 African countries which have reached the completion point under the HIPC Initiative are now facing high to moderate risk of debt distress through debt reaccumulation. Debt sustainability of post-completion point countries is threatened by shocks, particularly those that affect exports, and is highly sensitive to the terms of new financing. In some countries, debt relief is counterbalanced by increasing private debt. Furthermore, in recent years, a number of countries (e.g., China and India) have emerged as new creditors to African countries. While this development increases the availability of resources for development financing, there is a need to ensure that the activities of these new creditors do not undermine debt sustainability in Africa.

54. Another challenge is to ensure that heavily indebted poor countries receive full debt relief from all of their creditors, including smaller multilateral creditors, non-Paris Club official bilateral creditors and commercial creditors which together account for about 25 per cent of total cost of the HIPC Initiative. Moreover, vulture fund litigation has become a serious problem which can potentially undermine the gains made through debt relief in several African countries.

[2] Available from http://www.one.org/international/datareport2009/.

C. Foreign direct investment

55. In 2007, the year for which the most up-to-date data are available for Africa, foreign direct investment (FDI) inflows to the continent grew by 16 per cent, to reach US$ 53 billion. According to data compiled by the United Nations Conference on Trade and Development, despite the slowdown in global economic growth, FDI flows to the continent were expected to have grown to more than US$ 60 billion in 2008. This trend has, however, changed due to the global economic recession, tighter credit conditions, falling corporate profits and gloomy prospects for global economic growth.

56. The growth of FDI inflows to Africa was spread across 35 countries, including many of the natural resource producers that have been attracting direct investment in the past few years, as well as new host countries. The distribution of the inflows changed slightly, with North Africa attracting 42 per cent of FDI to the region in 2007 compared with 51 per cent per cent in 2006, and sub-Saharan Africa attracting 58 per cent, up from 49 per cent in 2006. While most countries of North Africa continued to attract FDI, large inflows to Nigeria and South Africa, combined with good performance in Equatorial Guinea, Madagascar and Zambia — each receiving about US$ 1 billion or more in FDI inflows in 2007 — boosted overall FDI flows to sub-Saharan Africa.

57. The NEPAD secretariat has scaled up its work on promoting an investment-friendly continent through the NEPAD-OECD Africa Investment Initiative, which aims to foster sustainable growth, employment creation and poverty reduction by advancing private sector development in African countries. The annual high-level meeting of the Initiative, held in Kampala in December 2008, focused on the theme "Advancing investment policy reform in Africa". The Initiative's targets include improving the capacity of African countries to strengthen the investment environment for growth and development, taking advantage of the OECD peer learning method and investment instruments of cooperation, such as the OECD Policy Framework for Investment which is the most comprehensive multilaterally backed investment policy instrument.

D. Trade

58. Over the past year, there has been limited progress in reaching an agreement on issues affecting Africa in the Doha Round of trade negotiations. OECD member countries continue their distorting trade policies, to the disadvantage of African farmers and agroproducers. It is therefore crucial that the Doha Round be concluded, especially in the light of the global financial and economic crisis. At the London Summit in April 2009, countries members of the Group of Twenty reaffirmed their commitments in respect of Aid for Trade, especially to sub-Saharan Africa.

59. In 2008, a road map was adopted with the objective of providing a comprehensive analysis of the results of Aid for Trade programmes at the national and subregional levels. An annotated version of the road map was presented in February 2009. The African working group on Aid for Tradç, comprising AfDB, ECA and the World Trade Organization, has been leading the implementation of the initiative at the continental level. The group has been working on such issues as

identifying bankable regional and national projects in the priority areas of infrastructure, trade facilitation and standards, in coordination with the regional economic communities and individual countries. Challenges, however, continue to hinder trade in Africa, such as supply side constraints and low levels of subregional and continental trade integration. According to the World Bank, losses in world trade have cost Africa almost US$ 70 billion a year, owing to lack of product diversification and shrinking market shares for traditional goods.

60. Some progress has been made in negotiations on economic partnership agreements between the European Union and the six regional clusters of African countries. As of January 2009, economic partnership agreements are undertaken multilaterally with SADC, the Eastern African Community (EAC), and Eastern and Southern Africa, and undertaken bilaterally with three African countries, namely, Cameroon, Côte d'Ivoire and Ghana. Based on the most recent data provided by the European Commission, the European Union and West African countries are expected to conclude a regional agreement on trade in goods and development cooperation, which will open the way to a comprehensive agreement between the European Union and 16 African countries by October 2009.

61. In 2008, the European Union negotiated a number of economic partnership agreements to replace the system of trade preferences under the Cotonou trade regime. In Central Africa, an interim agreement was concluded with Cameroon. In Southern Africa, a regional agreement was agreed with Botswana, Lesotho, Mozambique, Namibia and Swaziland. In West Africa, the European Union reached individual agreements with Côte d'Ivoire and Ghana. In East Africa, a regional agreement was agreed with EAC (Burundi, Kenya, Rwanda, United Republic of Tanzania and Uganda). In Eastern and Southern Africa, regional agreements were agreed with Comoros, Madagascar, Mauritius, Seychelles, Zambia and Zimbabwe. The European Union aims to conclude full regional economic partnership agreements which will take into account any issues set out in the interim agreements that partners may want to re-examine.

E. South-South cooperation

62. In recent years, emerging countries such as Brazil, India and, especially, China have been increasingly involved in investment, trade and the extraction of natural resources in Africa. South-South cooperation is beginning to provide larger amounts of resources for development, particularly in the productive sectors and in infrastructure, and has helped to accelerate world trade and FDI flows in Africa. The Doha Declaration on Financing for Development,[3] adopted in December 2008, recognized that South-South cooperation complemented North-South cooperation and acknowledged the role played by middle-income developing countries as providers and recipients of development assistance.

63. In October 2008, the sixth Meeting of Senior Officials of the Forum on China-Africa Cooperation (FOCAC) was convened in Cairo, with the aim of reviving the outcomes of the FOCAC Beijing Summit and Beijing Action Plan (2007-2009). Eight action areas were defined to reinforce political cooperation between China and Africa: increasing assistance and investment, cancelling debts, exempting

[3] General Assembly resolution 63/239, annex.

tariffs, establishing the China-Africa Development Fund, building economic and trade cooperation zones and increasing China-Africa cooperation in social development. Aid provided by China in 2007 was estimated at US$ 1.4 billion.

64. Following the India-Africa Forum Summit held in New Delhi in April 2008, a framework to elaborate strong economic cooperation was established around eight areas: agricultural development, political cooperation, science and technology, social development, tourism, infrastructure, energy and environment, media and communication. A plan of action and implementation mechanism was to be put together within one year. India pledged a US$ 5.4 billion credit line for African countries over the next five years and US$ 500 million in ODA.

65. The first Turkey-Africa Cooperation Summit was held in Istanbul in August 2008 to discuss trade and investment relations with African countries. Trade and investment have both shown dramatic growth in the past few years, with Africa representing an important market for Turkish businesses. Furthermore, Turkey has formalized relations with the African Union and AfDB, and in 2007 provided about US$ 500 million in aid. In October 2008, the Ministerial Conference on Economic Cooperation between the Republic of Korea and Africa allowed for the discussion of key economic development issues and the sharing of economic development experience. The Republic of Korea has provided over US$ 500 million in aid.

66. Brazil and other middle-income countries are intensifying their relations with African countries at both an economic and diplomatic level. Brazil provided technical support in the areas of electoral assistance, peacebuilding, energy, and information and communications technologies, and serves as general coordinator on behalf of South America at the South America-Africa summit meetings. The Second South America-Africa Summit will be held in the Bolivarian Republic of Venezuela in September 2009 with the aim of assessing the progress made in the implementation of the joint initiative of the African Union and the South American Community of Nations in science and technology. Participants in the second South-South High-Level Meeting on Oil and Gas Management, held in Damascus in June 2009, discussed priority topics, the establishment of a network of new and existing oil and gas-producing States and shared experiences.

IV. Support provided by the United Nations system

67. Support provided by the United Nations system agencies and organizations is an important pillar in international support for the implementation of NEPAD and ranges from advocacy and institutional support to technical assistance and capacity-building. The most recent annual report submitted by the Secretary-General to the Committee on Programme and Coordination on United Nations system support for NEPAD (E/AC.51/2009/7), contains detailed information on the nature and scope of the support provided by the United Nations system in the past year.

A. Strengthening of the Regional Consultation Mechanism of United Nations Agencies and Organizations Working in Africa in Support of the African Union and its NEPAD programme and the cluster system

68. The past year has seen further progress in enhancing the support provided by the United Nations system to the African Union and its NEPAD programme. In September 2008, ECA convened a review meeting in Addis Ababa on measures to enhance the United Nations Regional Coordination Mechanism in Support of the African Union and its NEPAD Programme. The conclusions of the background report and the meeting fed into the discussions and recommendations of the ninth annual meeting of the Regional Consultation Mechanism. Both meetings noted increased and high-level participation of United Nations system agencies in the work of the Mechanism. Furthermore, the United Nations system has deepened its partnerships with the African Union Commission, the NEPAD secretariat, AfDB and the regional economic communities. The representatives of these organizations participate on a regular basis in the work of the Regional Consultation Mechanism.

69. At the ninth annual meeting of the Regional Consultation Mechanism, enhanced coherence, harmonization and synergy of policies and activities was recognized as central to the effectiveness of the cluster system. It was emphasized that cluster activities should be guided by the priorities and strategic plans of the African Union Commission, the NEPAD secretariat and the regional economic communities. Lack of financial and human resources specifically allocated to cluster activities was highlighted as a constraint which hampered the planning and implementation of joint activities. Also highlighted at the ninth meeting was the need to reconcile the different priorities of cluster members with the priorities of the Regional Consultation Mechanism, and to strengthen monitoring and evaluation of United Nations system support to the African Union and its NEPAD programme.

70. In response to the changing global socio-economic context, current and emerging priority issues related to Africa's development are also discussed at the meetings of the Regional Consultation Mechanism. At the ninth annual meeting, such issues included a coordinated multisectoral response to the food crisis challenge in Africa and United Nations support to climate-related actions at the regional level. United Nations agencies were urged to develop joint interventions in response to food crisis, building upon CAADP and other existing initiatives. With regard to climate change, it was agreed that the environment, population and urbanization cluster would take the lead in preparing a business plan on the basis of the ongoing work of ECA on the ClimDev Africa programme.

71. At the same time, the inter-agency task force on Africa, convened by the Office of the Special Adviser on Africa at United Nations Headquarters, has provided an effective platform for the agencies of the United Nations system to share expertise and experience, as well as organize joint activities. In particular, the task force has been active in supporting the preparations for and follow-up to the high-level meeting of the General Assembly on Africa's development needs, held on 22 September 2008, including the organization of 15 side events and the preparation of the background report for the meeting.

B. Millennium Villages

72. The Millennium Villages Project is a holistic, community-led development initiative that reaches more than half a million people across 15 countries in sub-Saharan Africa. Some of the accomplishments to date include a doubling of average staple crop yields to help reduce hunger; dramatic increases in primary school enrolment, including in the enrolment of girls; rapid expansion of the school meals programme to 80,000 students; dramatic reductions in malaria prevalence; and more than doubling of the number of women receiving antenatal care and having supervised deliveries.

73. Since most of the existing Millennium Village sites have now completed three years of the first five-year phase of activity, they are focusing on mechanisms to ensure the sustainability of progress. In the second five-year phase, there will be an increased focus on income-generation opportunities, capitalizing on the strong advances made in the first phase in agriculture, health, education and infrastructure.

74. Based on the successes of the Millennium Villages, many countries have indicated strong interest in applying the lessons learned to broader, national efforts to achieve the Millennium Development Goals, including area-based approaches and sector-specific programmes for agriculture, health and infrastructure. Mali has presented a Millennium Village-inspired strategy which will reach two million people across the country. Nigeria is in part drawing on the successes of the Millennium Villages to expand community development programmes through local governments. Many other countries have reported strong demand for launching Millennium Villages in new locations throughout sub-Saharan Africa.

V. Conclusions and recommendations

75. **The past year has witnessed progress in the implementation of NEPAD projects and in moving forward the African Peer Review Mechanism, as well as an increase in ODA. Since African countries are increasingly affected by the recession, the momentum in the implementation of NEPAD could be delayed or even stopped. To prevent either outcome, African countries and their development partners should both take urgent and bold policy measures with short and long-term objectives.**

76. **As the process of integrating the NEPAD secretariat into the structures and processes of the African Union Commission is well under way, African countries should develop an effective and continent-wide communication and outreach strategy that will enhance awareness of the objectives and goals of NEPAD. In this regard, there is a need to strengthen the participation of the private sector and civil society in the implementation of NEPAD.**

77. **In accordance with the Nairobi Declaration on the African Process for Combating Climate Change, adopted by the African Ministerial Conference on the Environment on 29 May 2009, African countries should develop an African common position in their negotiations on climate change agreements beyond 2012, reflecting their need to implement and finance climate mitigation and adaptation strategies. Countries should also maintain their efforts to mainstream environmental and climate change policy into all productive**

sectors. In addressing climate change-related issues in Africa, donors need to commit new resources.

78. In adopting fiscal stimulus policies to mitigate the socio-economic impact of the current crisis, African countries need to continue prudent borrowing policies and further strengthen their capacity to manage external debt. Also, as most sources of external development finance (remittances, export and commodity earnings, trade finance, aid and capital flows) are adversely affected by the global financial crisis, African countries should implement policies to further mobilize domestic financial resources.

79. While various multilateral and bilateral debt reduction initiatives have lowered the debt-servicing costs of many African countries, the current crisis could jeopardize their debt sustainability or reduce their resource mobilization capacity. To maintain the fragile debt sustainability of many African countries, commercial creditors should honour their debt relief commitments under the HIPC Initiative.

80. Regional integration serves as a stepping stone for building markets and developing strong economies. In the context of South-South cooperation, African countries should continue to share best practices to strengthen regional integration.

81. In the context of the global recession and the substantial decline in international trade, development partners should take bold steps to reach a successful conclusion of the Doha Round of trade negotiations with development dimensions as this would reduce trade distortion, increase international trade and potentially enhance growth prospects.

82. African countries need to develop strategies that boost trade, pursue domestic trade policy reforms that support international rule setting and increase their capacities in order to strengthen their participation in the Doha Round.

83. African countries need to expand infrastructure (ports, road networks), energy resources, water resources, conveyance systems, and research and extension services, which can help to lower the costs of investing in agriculture.

84. Development partners need to align their efforts more specifically towards CAADP, the round tables and the compact so that all of the pillars are funded and recognized as key entry points for genuine internal and external investment.

85. While donors are increasing their support for infrastructural projects, they should also sustain the level of investment in health and basic education. In the current context, there is a strong need to strengthen key programmes in health and education, such as the control of major diseases, including HIV/AIDS and malaria, and the Fast Track Initiative in education.

86. With the growing role played by non-traditional donors and private sector actors within the new aid architecture, there is a need to improve the availability of data on aid from different sources and to enhance aid coordination and alignment. Donors should increase aid disbursement significantly in 2009 and 2010 in order to maintain their commitments to provide to Africa by 2010 an additional US$ 25 billion in ODA per year, at 2004 prices.